



**Responsible.
Resilient.
Ready.**

Q4FY21 & FY21 Earnings Presentation

27th May 2021

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Q4FY21 and FY21 Key Highlights

Executive Summary : Key Highlights



Consolidated Profit After Tax Rs1.77bn (10%YoY) and Rs271mn (-23%YoY) in FY21 / Q4FY21 respectively.



Robust disbursal growth during Q4FY21 of 2.4x YoY in core products viz. MSME, Construction Finance, and Affordable Housing, AUM growth at 20%YoY.



Well-funded balance sheet with a strong capital adequacy ratio of 37.7%; multiple borrowing relationships with 24 leading banks and financial institutions.



Gross Stage 3 ratio at 3.3% and Net Stage 3 at 0.9%; restructured loans at Rs1.84bn or 3.8% of AUM, restructured loans concentrated in MSME.



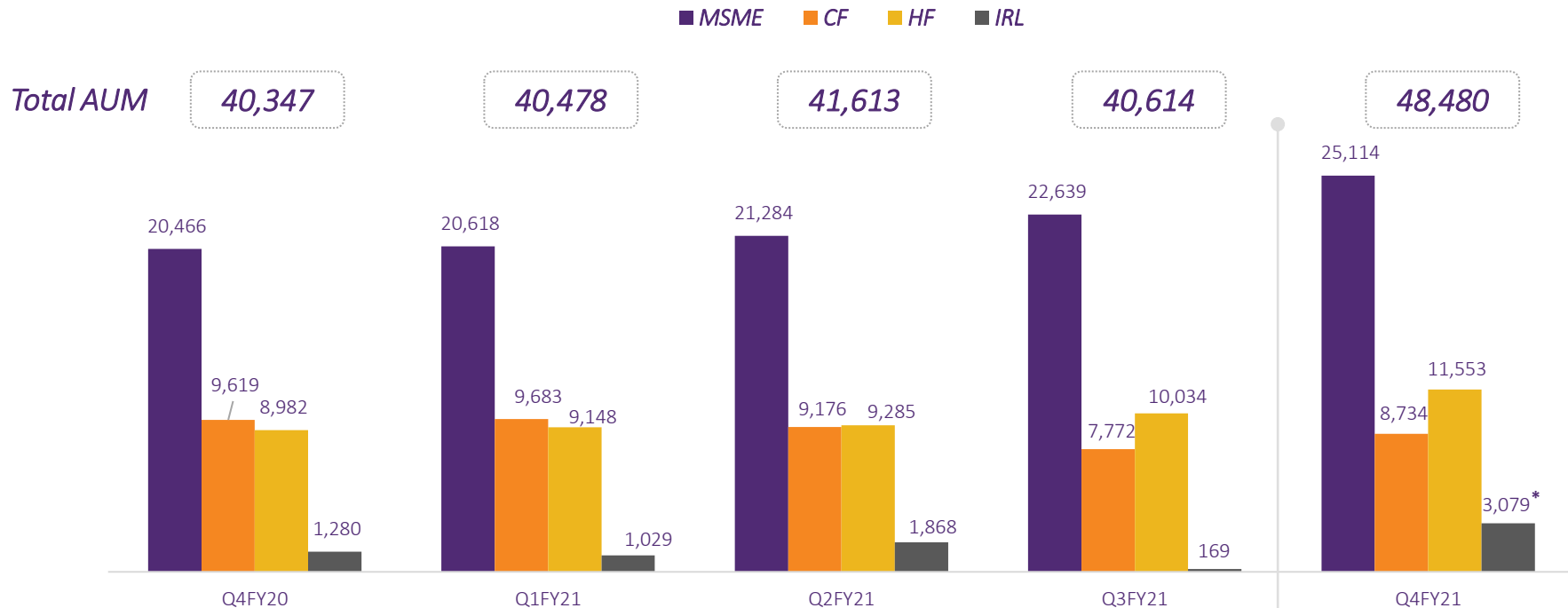
Operate from 85 branches, group staff count at 1,900+



Way forward: H1FY22 challenging, H2FY22 likely to offer better operating environment, growth likely to be back ended like in FY21.

Business Update : AUM Back on Growth Path

AUM Segmental Break Up (INR Mn)

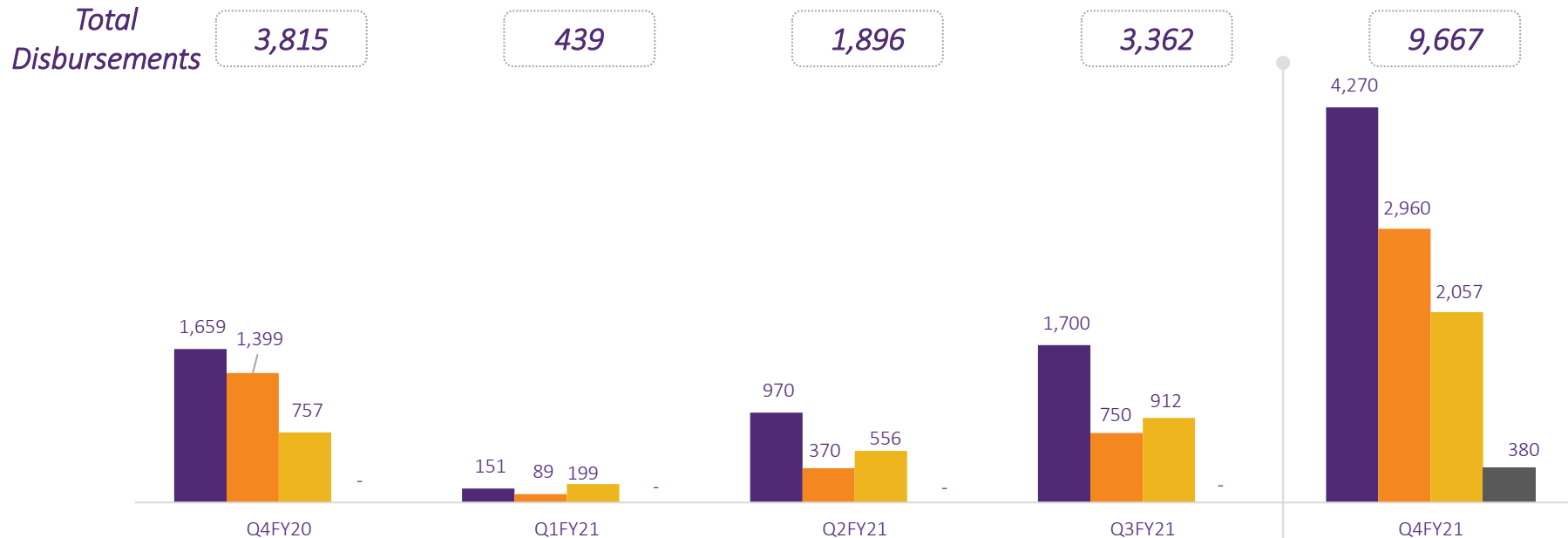


* IRL AUM for Q4FY21 includes INR 2,570 Mn of short term deployment maturing in <6 months

Disbursals – Strong Bounce Tracking Improved Scenario

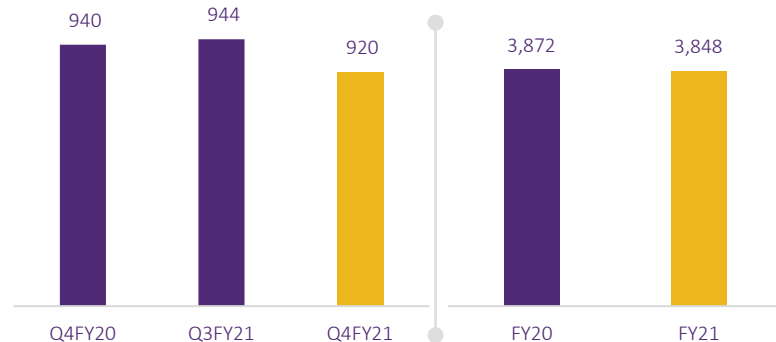
Segmental Disbursals (INR Mn)

■ MSME ■ CF ■ HF ■ IRL

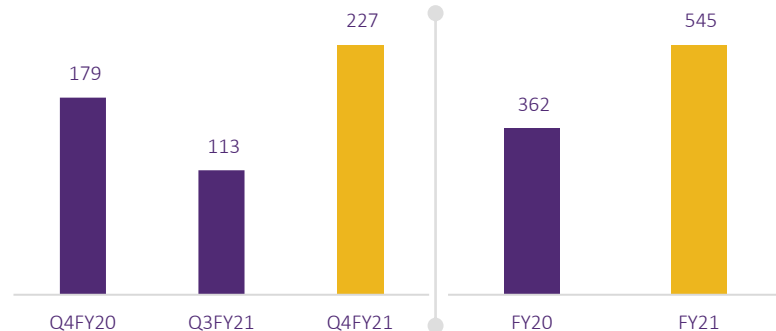


Performance Matrix : Healthy Core Earnings Performance

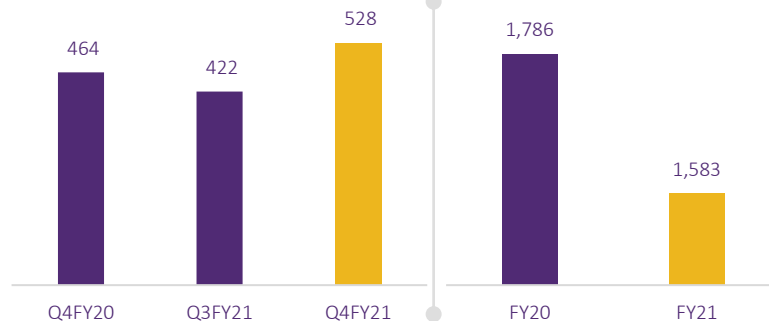
NII (INR Mn)



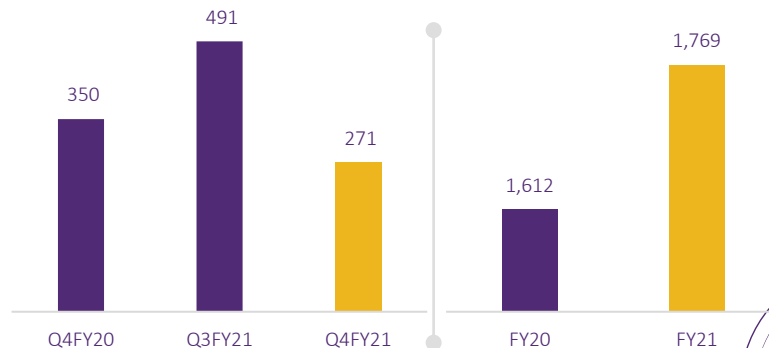
Provisions (INR Mn)



Opex (INR Mn)

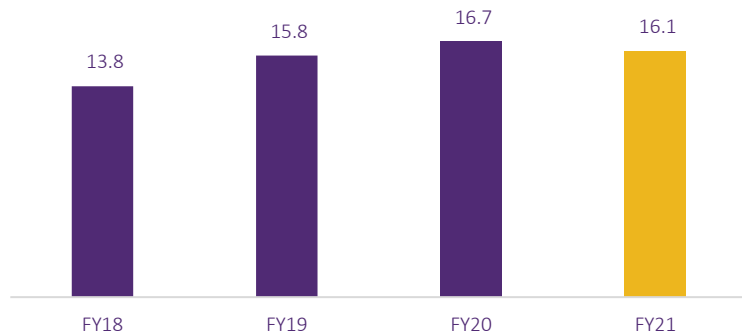


PAT (INR Mn)

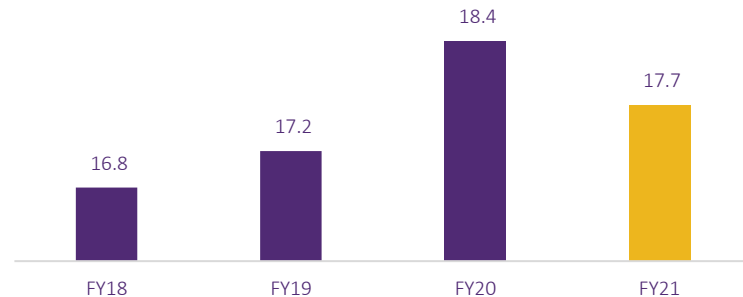


Key Ratios : Segmental Yields

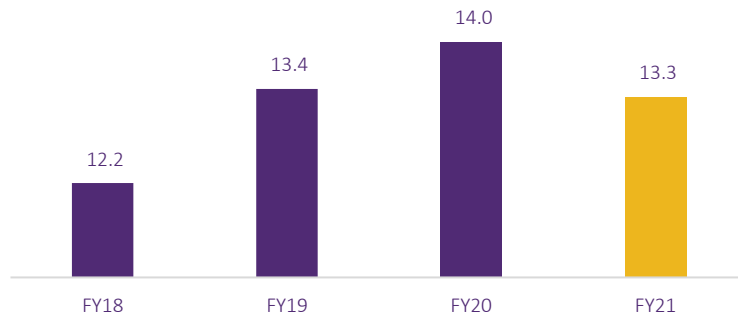
MSME



Construction Finance

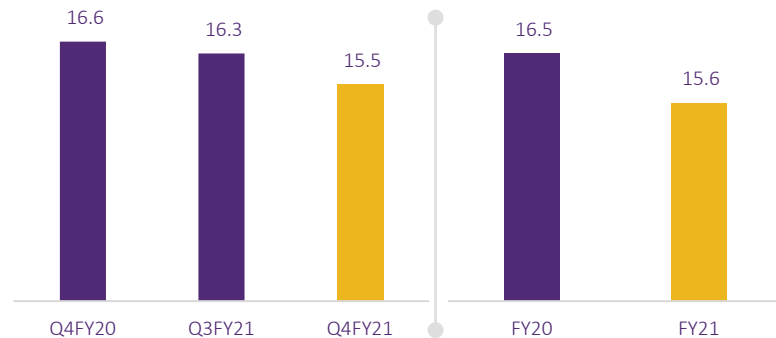


Housing Finance

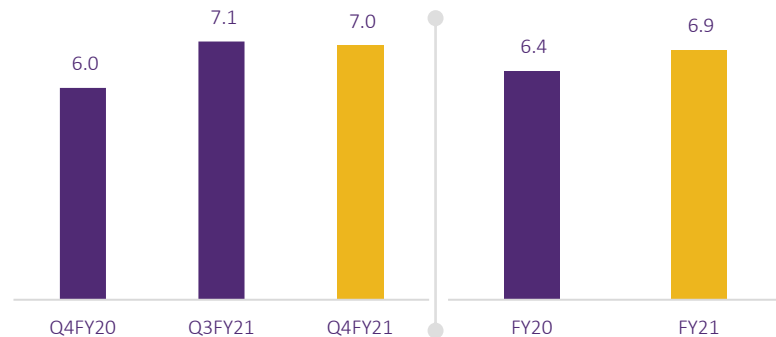


Key Ratios : Spreads Stable

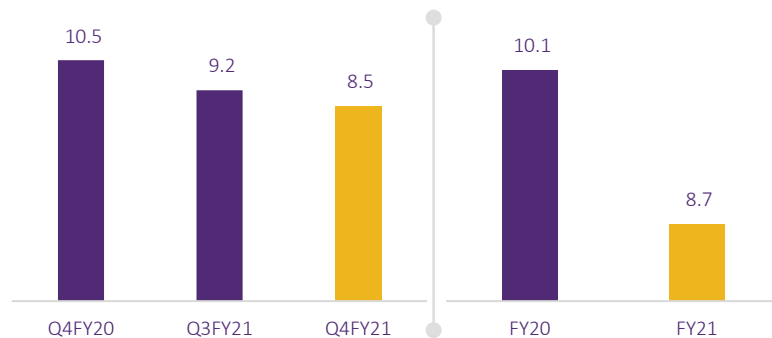
Yield on Advances (%)



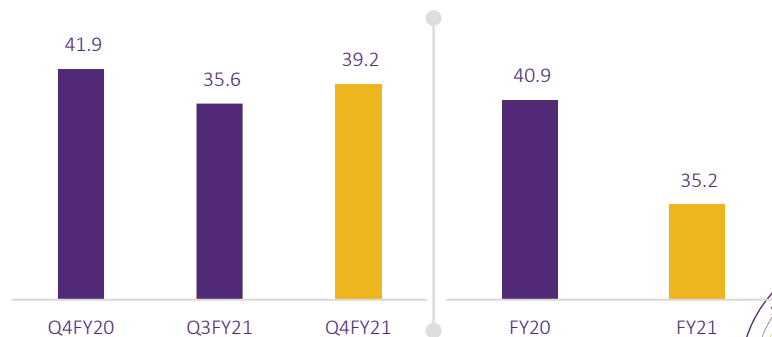
Spread (%)



Cost of Funds (%)

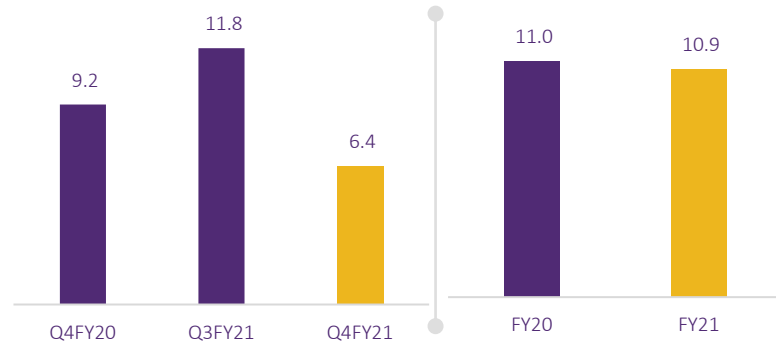


Cost-Income (%)

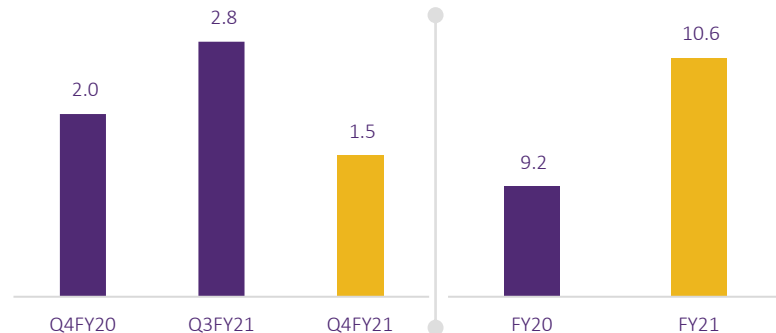


Key Ratios : Profitable Growth

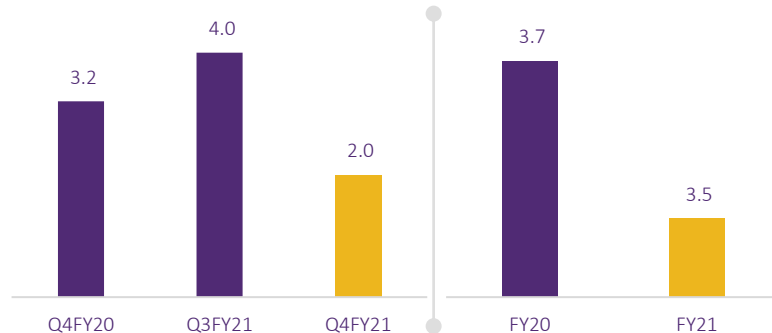
Annualized Return on Equity (%)



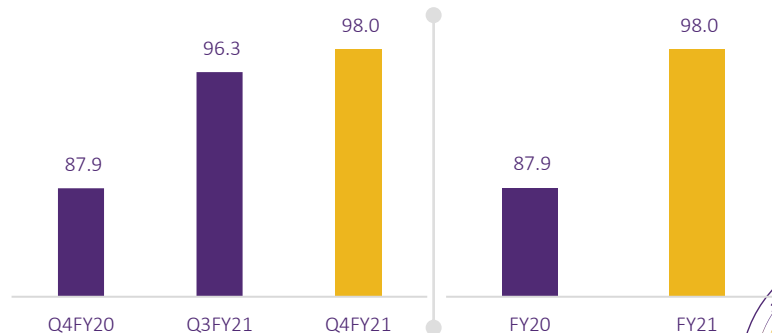
EPS (INR)



Annualized Return on Assets (%)



Book Value Per Share (INR)

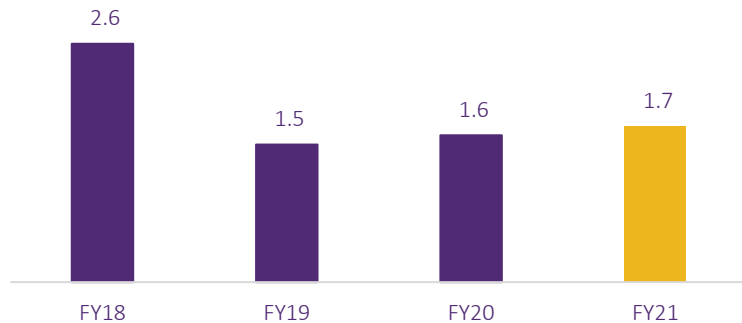




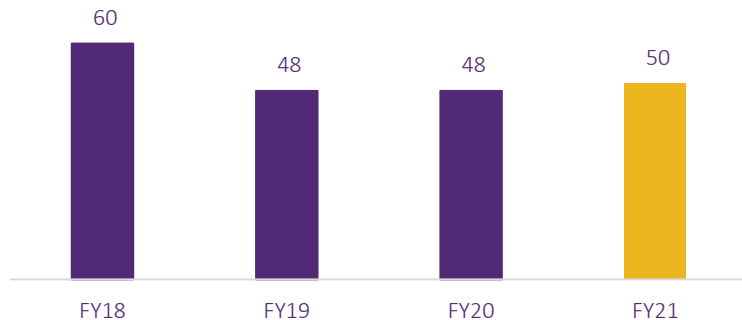
Business Vertical & Asset Quality Update

MSME Business Update

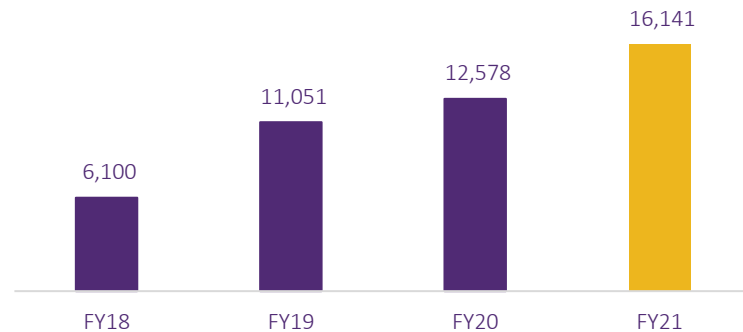
Average Ticket Size (INR Mn)



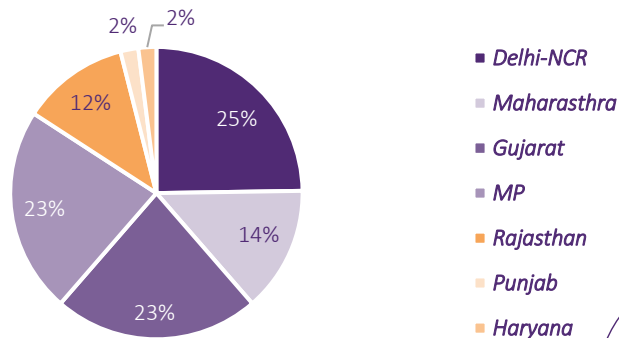
Loan to Value (%)



Live Accounts

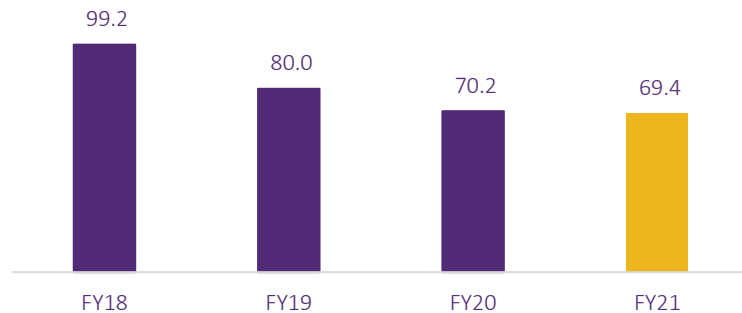


Geographical Distribution (Value-Wise)

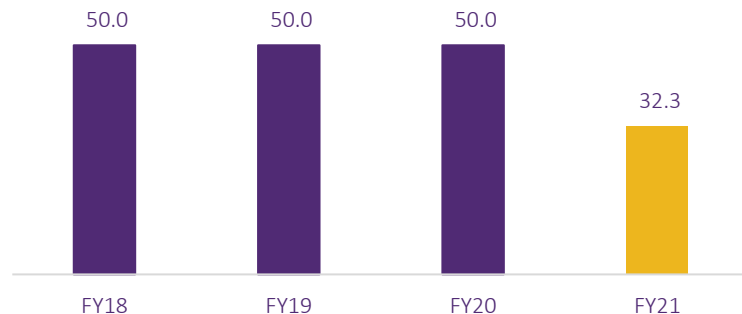


Construction Finance Business Update

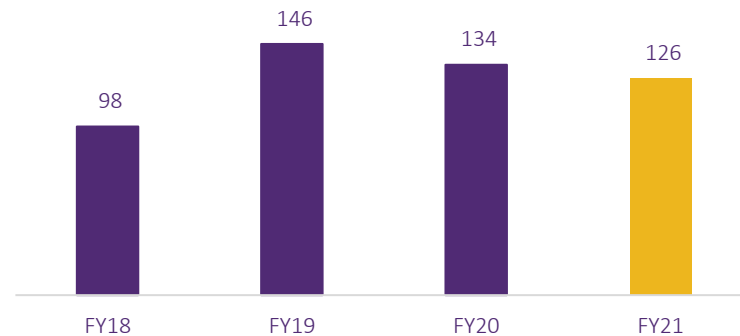
Average Ticket Size (INR Mn)



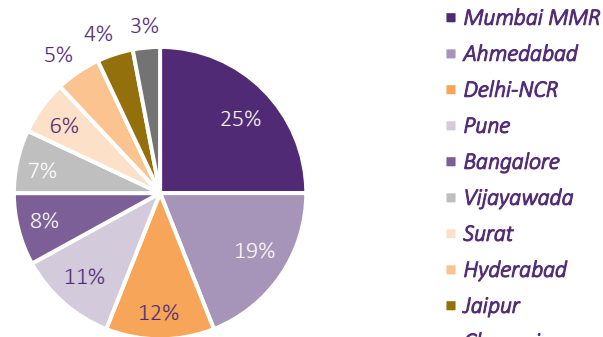
LTV (%)



No. of Projects

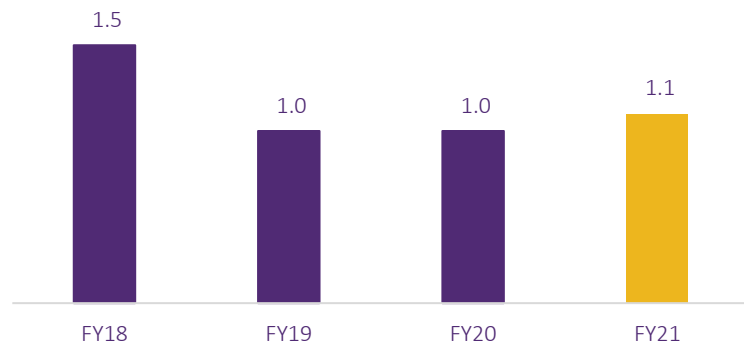


Geographical Distribution (Value-Wise)

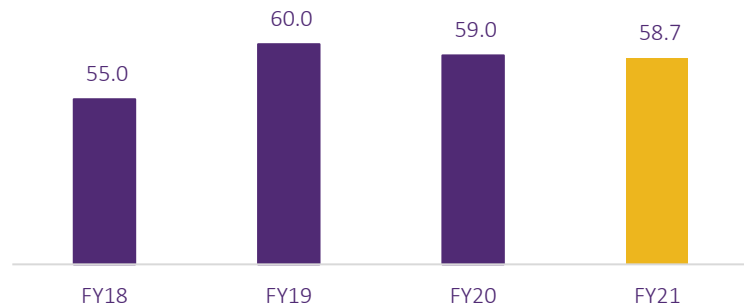


Housing Finance Business Update

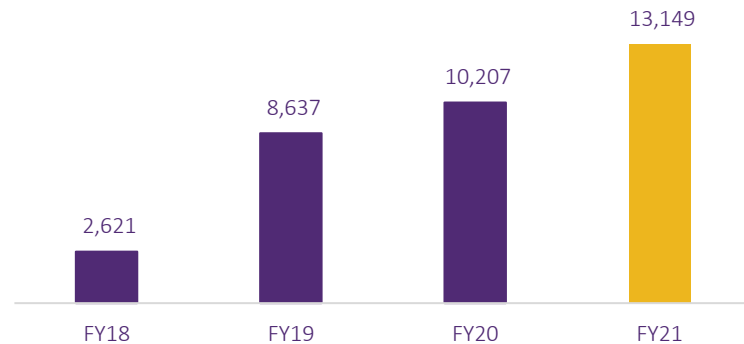
Average Ticket Size (INR Mn)



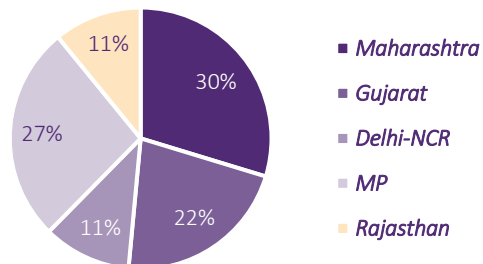
Loan to Value (%)



Live Accounts



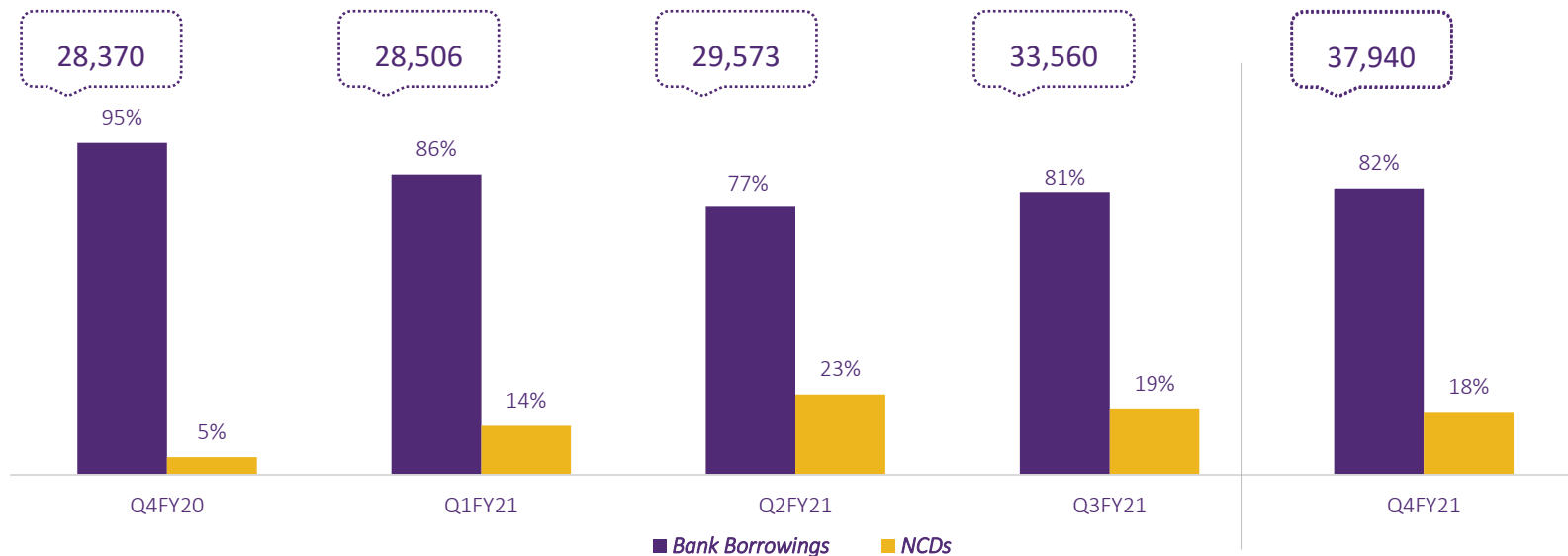
Geographical Distribution (Value-Wise)



Salaried	45%
Self-employed	55%

Liability Mix : Bank Borrowings Key Source Funds

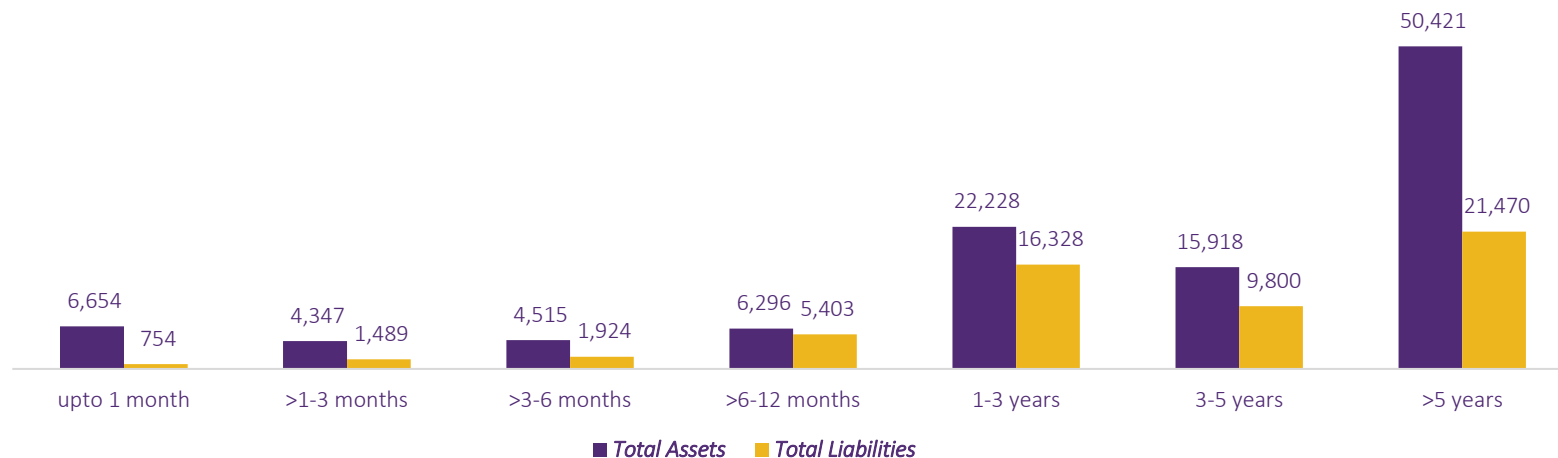
Total Borrowings (INR Mn) and Borrowing Mix



- Nil exposure to short-term money market signifies no probability of default
- CGCL's prudence in having higher share of long-term borrowings resulted in positive ALM across buckets on cumulative basis
- Maintained credit ratings of A+ (CARE Ratings) and AA- (BWR Ratings) amid peer downgrades specially for Construction Finance lenders.

Asset-Liability Split : Maturity Buckets Are Well Balanced

Asset-Liability Mix (INR Mn); Ensuring Optically Matched Balance Sheet



Particulars (INR Mn)	Ending	up to 1 month	>1-3 months	>3-6 months	>6-12 months	1-3 years	3-5 years	>5 years
Cumulative Inflow - Outflow	Mar'21	5,900	8,758	11,349	12,241	18,141	24,259	53,210

The Company has not availed moratorium from any of its lenders

Asset Quality : Stage Analysis As per IND-AS

All amount in INR Mn except stated

ECL Analysis as per INDAS	Q4FY21	Q3FY21	Q4FY20
Stage 1 & 2 - Gross	46,870	39,515	39,398
Stage 1 & 2 – ECL Provisions	730	603	345
Stage 1 & 2 - Net	46,140	38,912	39,053
Stage 1 & 2 – ECL Provisions %	1.6%	1.5%	0.88%
Stage 3 - Gross	1,613	825	952
Stage 3 – ECL Provisions	450	345	295
Stage 3 – Net	1,163	480	312
Stage 3 – ECL Provisions %	27.8%	41.8%	31.0%
Stage 3 % - GNPA	3.3%	2.1%	2.4%
Stage 3 % - NNPA	0.9%	-	0.8%

- Std. restructured assets: MSME Rs1,820mn (7.2% of MSME AUM), Housing Rs20mn (17bps of Housing AUM), CF & IRL - NIL

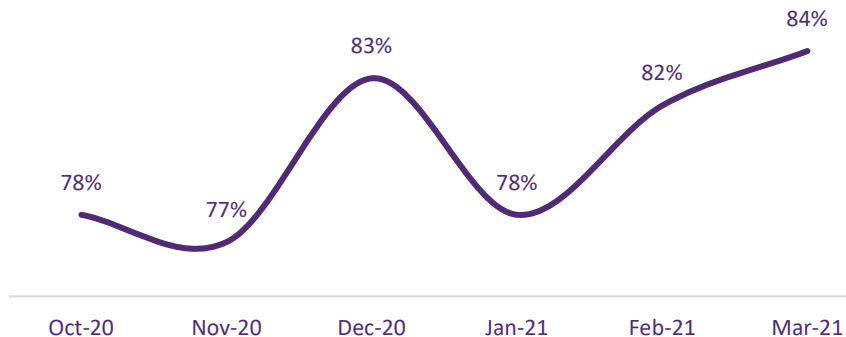
NPA Analysis : Short Term Challenges

CGCL (Consolidated) (INR MN)	FY18	FY19	FY20	FY21
GNPA	440	561	952	1,609
NNPA	386	445	312	434
Provisions	54	116	640	1,175
Gross NPA%	1.7%	1.5%	2.4%	3.3%
Net NPA%	1.4%	0.5%	0.8%	0.9%
Coverage Ratio	12.3%	20.7%	67.2%	73.1%

GNPA Product Segment wise – FY21		
Product Segment	GNPA %	NNPA %
MSME	5.5%	1.9%
Construction Finance	0.2%	-
Housing Finance	1.8%	0.4%
Total (Consolidated)	3.3%	0.9%

Collection Efficiency : Sizeable Improvement in EMI Servicing

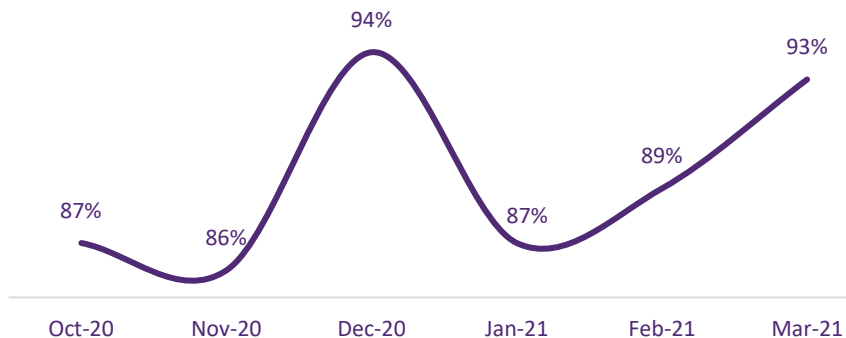
MSME Collection Efficiency (by POS)



MSME: Slow Reversion to Normalcy

- MSME portfolio showed a steady and improving trend in collections during Q4FY21.
- However there remain challenges in getting back to normalcy in collections.

Housing Finance Collection Efficiency (by POS)



Housing Finance: Steady Improvement

- Affordable housing continued to show a steady improvement in collection efficiency after a dip initially in Q4FY21.
- The portfolio has continued to hold steady in Q1FY22.

Liquidity Position : Continue to Maintain Adequate Buffer

Particulars (INR Mn)	CGCL (Standalone)	CGHFL	Consolidated
Limits Sanctioned	37,150	17,650	54,800
Limits Availed	33,200	13,710	46,910
Un-Drawn	3,950	3,940	7,890
Repaid	6,923	2,052	8,976
Outstanding	26,277	11,658	37,935
Total no. of relationship maintained	16	12	
Limits Sanctioned in FY21	13,250	9,700	22,950

- CGCL has relationship with 24 Financial Institutions across PSU, Private Sector Banks, Foreign Banks, Mutual funds, Life Insurance companies and Public sector Financial Institutions.
- 7 new relationship with lenders were established in past 15 months.
- The company is looking to diversify its source of funds.

Liquidity Position : Repayment of High-Cost Loans

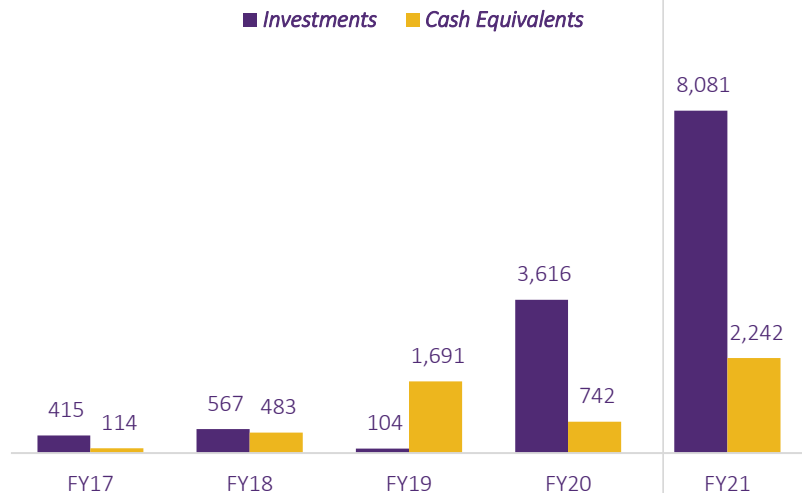
Particulars (INR Mn)	CGCL (Standalone)	CGHFL	Consolidated
Dues during FY2020-21	6,004	1,446	7,450
Payment made as per Schedule (A)	1,989	704	2,693
Prepayments made for the year (B)	4,016	742	4,757
Total repayments/prepayments (A+B)	6,004	1,446	7,450
Balance Payment for FY2020-21	-	-	-
Additional prepayments beyond FY2020-21 (C)	1,830	948	2,779
Total Repayments / Prepayments (A+B+C)	7,834	2,394	10,228

The company initiated discussions with banks for revision of interest rates downwards and worked on strategy to bring the overall cost of funds down by ~1.4%

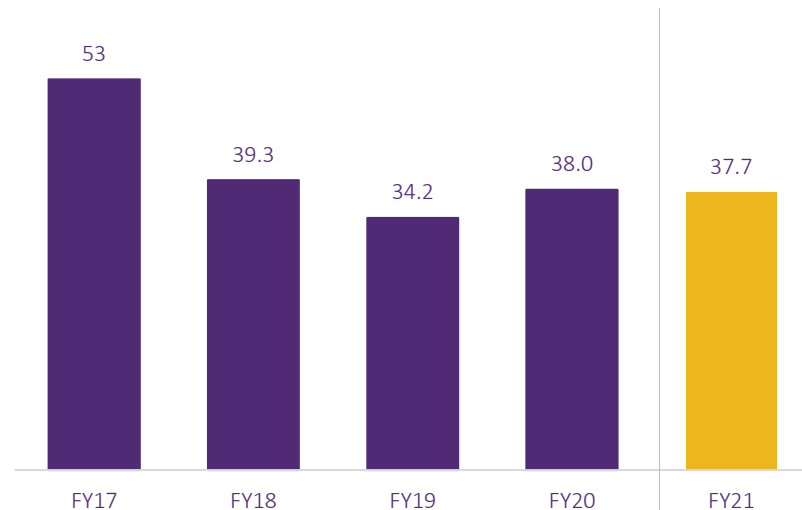
On the back of strong liquidity, the Company has not sought any moratorium from any of its lenders . In fact, the Company has made advanced payments due during FY22, including repayments.

Well Capitalized Business Model: Aid to Expansion

Current Assets (INR Mn)



Capital Adequacy (%)



Adequate cash
position on balance
sheet

+

Strong capital
adequacy to support
future growth

+

Undrawn credit lines
of INR 7.89 Bn
including the
unutilized CC limit

=

Comfortable liquidity
position to protect against
liquidity crunch & support
future growth

Capital Adequacy Standalone Numbers ; From FY18 nos. as per IND-AS

CGCL Consolidated Income Statement : Quarterly Comparison

Particulars (INR Mn)	Q4FY21	Q4FY20	Y-o-Y(%)	Q3FY21	Q-o-Q(%)
Interest earned	1,675	1,654	1%	1,673	0%
Interest expended	755	713	6%	729	4%
Net interest income	920	940	(2%)	944	(3%)
Non-interest income	194	167	16%	242	(20%)
- Other Operating Income	192	166	16%	235	(18%)
- Other Income	2	1	100%	7	(71%)
Total Income	1,114	1,107	1%	1,186	(6%)
Operating expense	528	434	22%	423	25%
- Employee cost	313	263	19%	268	17%
- Depreciation	37	28	32%	23	61%
- Others	178	143	24%	132	35%
Operating Profit	586	673	(13%)	763	(23%)
Total provisions	227	179	27%	113	101%
PBT	359	494	(27%)	650	(45%)
Tax	88	144	(39%)	159	(45%)
PAT	271	350	(23%)	491	(45%)

CGCL Consolidated Income Statement : Full Year Comparison

Particulars (INR Mn)	FY21	FY20	Y-o-Y(%)
Interest earned	6,735	6,700	0%
Interest expended	2,887	2,828	2%
Net interest income	3,848	3,872	(1%)
Non-interest income	637	495	29%
- Other Operating Income	626	461	36%
- Other Income	11	34	(68%)
Total Income	4,484	4,367	3%
Operating expense	1,583	1,786	(11%)
- Employee cost	994	1,188	(16%)
- Depreciation	105	108	(3%)
- Others	484	490	(1%)
Operating Profit	2,901	2,581	12%
Total provisions	545	362	51%
PBT	2,357	2,220	6%
Tax	588	607	(3%)
PAT	1,770	1,612	10%

CGCL Consolidated Balance Sheet : Quarterly Comparison

Particulars (INR Mn)	Q4FY21	Q4FY20	Y-o-Y (%)	Q3FY21	Q-o-Q (%)
Share Capital	340	350	(3%)	350	(3%)
Reserves and Surplus	16,833	15,042	12%	16,536	2%
Net Worth	17,173	15,392	12%	16,886	2%
Borrowings	37,688	28,366	33%	33,670	12%
Other Liabilities and Provisions	3,269	657	398%	1,016	222%
Total liabilities & stockholders' equity	58,131	44,415	31%	51,572	13%
Net Block	272	317	(14%)	279	(3%)
Investments	8,081	3,616	123%	10,998	(27%)
Asset under financing activities	46,863	39,288	19%	38,990	20%
Deferred Tax Assets	258	152	70%	193	34%
Cash and bank balances	2,242	742	202%	721	211%
Other Assets	415	299	39%	391	6%
Total assets	58,131	44,415	31%	51,572	13%

CGHFL Income Statement : Quarterly Comparison

Particulars (INR Mn)	Q4FY21	Q4FY20	Y-o-Y(%)	Q3FY21	Q-o-Q(%)
Interest earned	378	336	13%	348	9%
Interest expended	206	183	13%	203	1%
Net interest income	173	154	12%	146	18%
Non-interest income	76	34	124%	83	(8%)
- Other Operating Income	71	19	274%	75	(5%)
- Other Income	5	5	-	8	(38%)
Total Income	249	188	32%	229	9%
Operating expense	91	92	(1%)	92	(1%)
- Employee cost	48	43	12%	49	(1%)
- Depreciation	9	6	50%	4	125%
- Others	34	43	(21%)	38	(11%)
Operating Profit	158	96	63%	137	15%
Total provisions	27	15	80%	23	17%
PBT	132	81	63%	114	16%
Tax	28	20	40%	21	33%
PAT	104	61	70%	93	12%

CGHFL Income Statement : Full Year Comparison

Particulars (INR Mn)	FY21	FY20	Y-o-Y(%)
Interest earned	1,391	1,265	10%
Interest expended	802	668	20%
Net interest income	590	597	(1%)
Non-interest income	245	130	88%
- Other Operating Income	226	114	98%
- Other Income	19	16	19%
Total Income	834	726	15%
Operating expense	317	360	(12%)
- Employee cost	168	212	(21%)
- Depreciation	20	23	(13%)
- Others	129	125	3%
Operating Profit	517	366	41%
Total provisions	90	54	67%
PBT	428	312	37%
Tax	93	68	37%
PAT	335	243	38%

CGHFL Balance Sheet : Full Year Comparison

Particulars (INR Mn)	FY21	FY20	Y-o-Y (%)
Share Capital	607	607	0%
Reserves and Surplus	2,043	1,708	20%
Net Worth	2,658	2,315	15%
Borrowings	11,557	7,743	49%
Other Liabilities and Provisions	575	86	568%
Total liabilities & stockholders' equity	14,782	10,145	46%
Investments	2,812	1,121	150%
Asset under financing activities	11,221	8,742	28%
Non-Financial Assets	123	79	61%
Cash and bank balances	603	196	208%
Other Financial Assets	23	7	229%
Total assets	14,782	10,145	46%



Way Forward In FY22...

Way Forward In FY22...



H1FY22 shall be one of managing P&L challenges while H2FY22 is likely to present better growth opportunities.



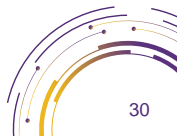
Credit costs to remain elevated during H1FY22. Lockdowns have hurt small businesses and it is likely to show up in earnings.



CGCL has amongst the strongest capital adequacy ratios, a healthy core operating profit, and multiple liability relationships to fund its growth.



We remain confident of the growth opportunities over medium term.





Leadership

Board of Directors & Strong Corporate Governance



Rajesh Sharma, Managing Director
Founder & Promoter with over 2.5 decades of experience, Chartered Accountant



Beni Prasad Rauka, Independent Director
Group CFO- Advanced Enzyme Technologies; over 2.5+ decades of experience, CA & CS



Ajit Sharan, Independent Director
IAS - Batch 1979 with over 3 decades of experience in varied aspects of public administration



Bhagyam Ramani, Independent Director
Ex- GM and Director of General Insurance Corporation; 3+ decades of experience, MA (Economics Hons.)



Desh Raj Dogra, Independent Director
EX- CEO and MD of CARE ratings with over 4 decades of experience



Mukesh Kacker, Independent Director
EX- IAS Officer, Jt. Secy (GOI) with over 3 decades of experience, MA(Public Policy), MA (Political Science)



Ajay Kumar Relan, Independent Director
Founder CX Partners & Citi Bank N.A. in India; 4+ decades of experience, BA (Eco), MBA

Corporate Governance Philosophy

- Good Board Practices
- Control Environment
- Transparent Disclosure
- Well-defined shareholder right
- Board Commitment
- Employee Empowerment
- Equitable treatment to all the stakeholders

Auditors & Advisors

Deloitte.



CAPRI GLOBAL

Leadership Team Across Business Verticals

MSME/Housing Finance



Amar Rajpurohit (Business Head – MSME & Home Loan) Ex-AU Financiers India Ltd, Gruh Finance, DHFL with over 17 years of work experience, B.A., LLB.



Prasanna Kumar Singh (Group Collections Head) More than two decades of experience with various BFSI institutions



Bhavesh Prajapati (Head – Credit, Risk & Policy) Ex-Aadhar Housing Finance, IDFC Ltd, DHFL with over 20 years of experience; MBA- ICFAI



Hemant Dave (Operations Head) Ex - Kotak Mahindra Bank, A. F. Ferguson with over 23 years of experience, Chartered Accountant



Bhupinder Singh (Head – Legal Litigation) More than a decade experience with various NBFCs in providing legal advice

Construction Finance



Surender Kumar Sangar (Head – CF) Ex-MD – Tourism Finance Corporation of India and GM Union Bank of India with over 40 years of experience, BCom, CAIIB



Bhaskarla Kesav Kumar (Associate Director – Monitoring) Ex AGM and Unit Head of Corporate Relationships with SBI



Vijay Kumar Gattani (Senior Vice President – Credit) Ex-ICICI Bank, Head of Credit & Policy- ICICI HFC with over 15 years of experience, CA

Corporate Functions



Raj Ahuja (ED & Group CFO) More than three decades of experience and associated with organizations like Yes bank, Reliance Jio, Paytm, Amex etc.



Ashok Agarwal (Associate Director – Accounts, Legal & Compliance) Previously practicing CA with over 26 years of experience, CA and CS



Harish Kumar Agarwal (Senior VP – Company Secretary) Previously working as an advocate with more than two decades of experience



Suresh Gattani (Associate Director Finance) Ex-Aditya Birla, two decades plus experience in accounts, finance, taxation and corporate planning



Vinay Surana (Head – Treasury) Ex-Founding Member, Axis Bank debt syndication with over 15 years of experience, CA



Thank you

For further information, please get in touch with:

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